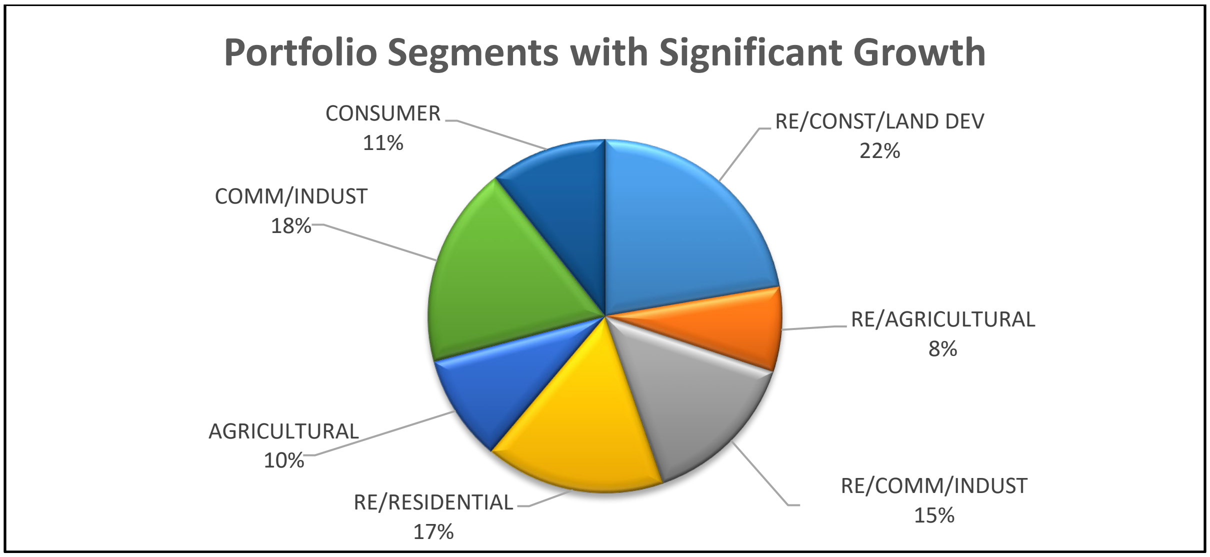
This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined each quarter. This report compiles information from all 4 quarters in 2023 to provide a full picture of the banks that were examined during the year.

Date: **FULL YEAR 2023** Number of Banks Examined: **71**

LENDING

1. Since their last examinations, **61%** of the banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **43** banks for the identified growth. Growth was diversified among all segments.



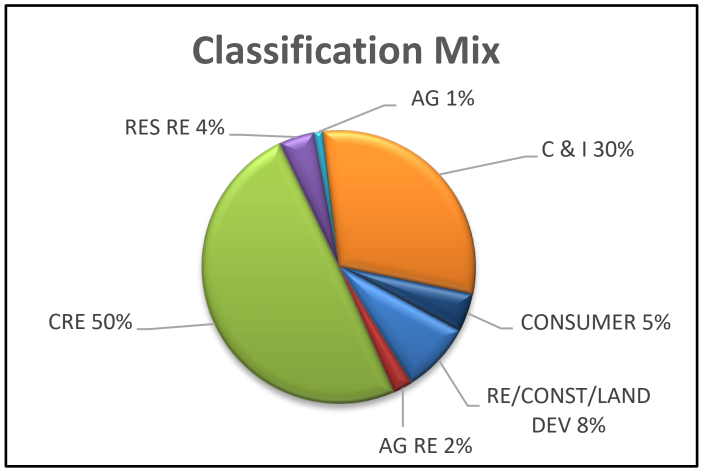
2. While increased slightly from 2022, banks examined during the year are generally not incurring "more than normal" risk when booking new loans or modifying existing credits as risk indicators were only noted in a total of **9** banks. Risks were mostly concentrated in a lack of cash flow analysis. Other risks identified included high LTV lending, collateral dependency, liberal repayment terms, unsecured lending, and low or no doc business lending.

3. A majority of the banks examined remain conservative in underwriting practices across all loan types reviewed. Moderate practices were noted in an average of **20%** of the banks across all loan types, with only **one** bank exhibiting liberal underwriting practices.

4. Agriculture loans represented more than 20% of total loans in **28** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, with the majority noting low risk. However, moderate or substantial risks were noted in carryover debt in **4** banks, subsidy phase-outs in **3** banks, and drop in land values in **8** banks.

5. The Adversely Classified Items Coverage ratio decreased or remained unchanged in **55%** of the banks examined. Increases in the classification ratio in the other banks were mostly limited, and primarily attributed to deterioration in existing credits.

6. The mix of total loan classifications for all **71** banks is illustrated in the adjacent pie chart. Total commercial loans made up **80%** of total classifications.



OPERATIONAL

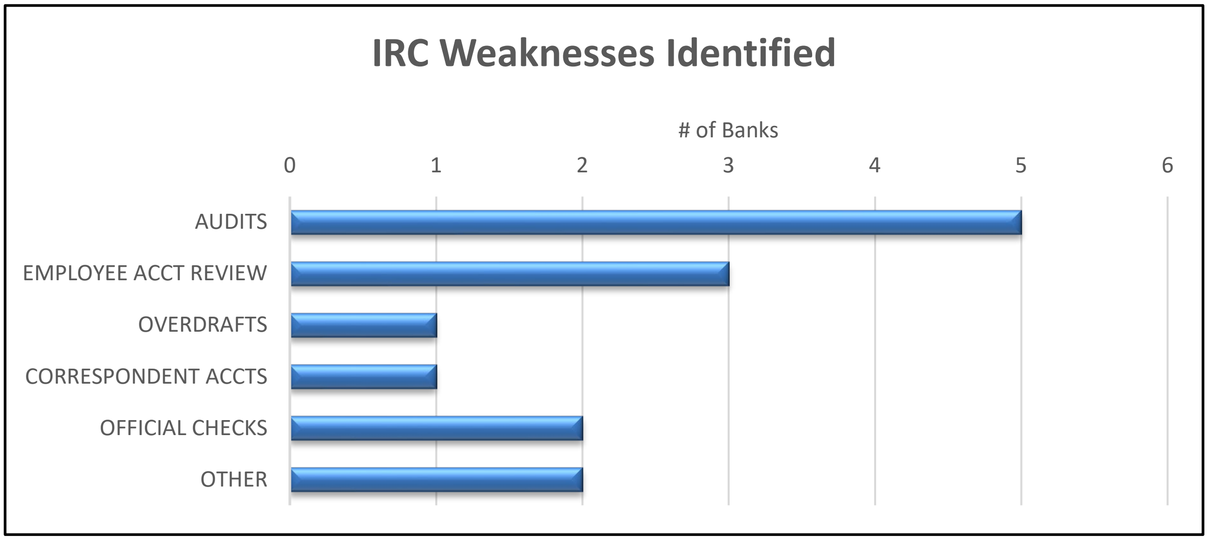
7. Banks examined primarily exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **9** banks, with **2** in the liberal category.

8. Banks examined mostly exhibited conservative policies and practices in relation to funds management. Increased risk is noted in some banks, with **16** banks identified as moderate risk and **2** reflecting liberal practices. While concerning, the increase in risk is the result of overall liquidity tightening in the industry.

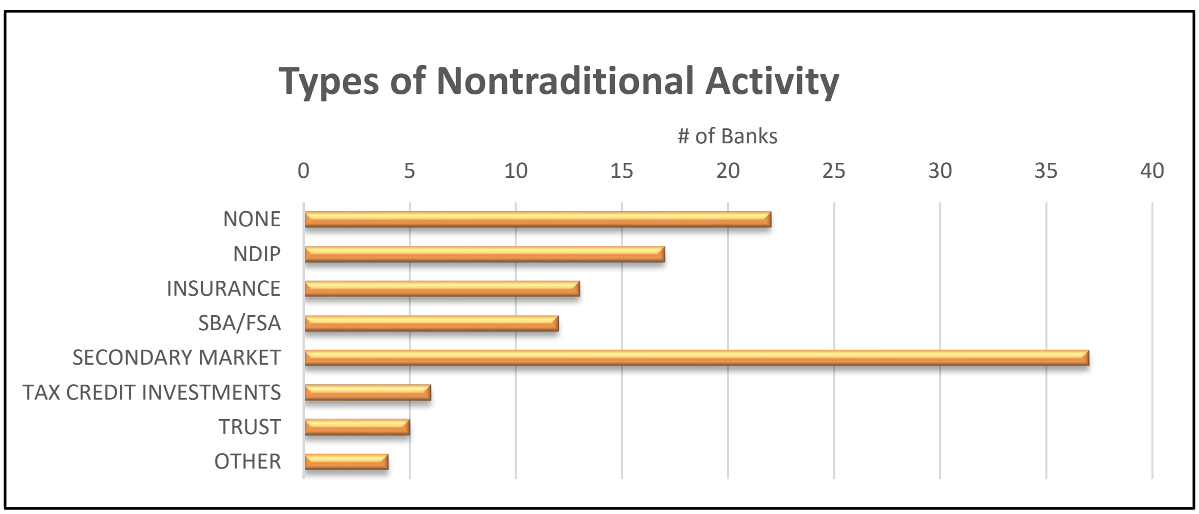
9. Examinations identified funding concentrations in **16** of the banks examined. The increased volume is the result of noncore funding sources needed for liquidity purposes as pandemic-related funds have left the banks.

10. Examinations identified **1** bank that holds a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. The overall level of banks with Internal Routine and Control weaknesses is limited with no weaknesses noted in **61** banks. The chart below represents the frequency that the following types of IRC weaknesses were observed. The other category weaknesses involved reconcilement procedures.



12. The majority of the banks examined engage in nontraditional activities, with the most significant being **32%** participating in secondary market lending. The following chart shows the types of activity observed. Other nontraditional activities consisted of solar-related loans and leasing, healthcare group loans, marijuana-related businesses, and FinTech activities.

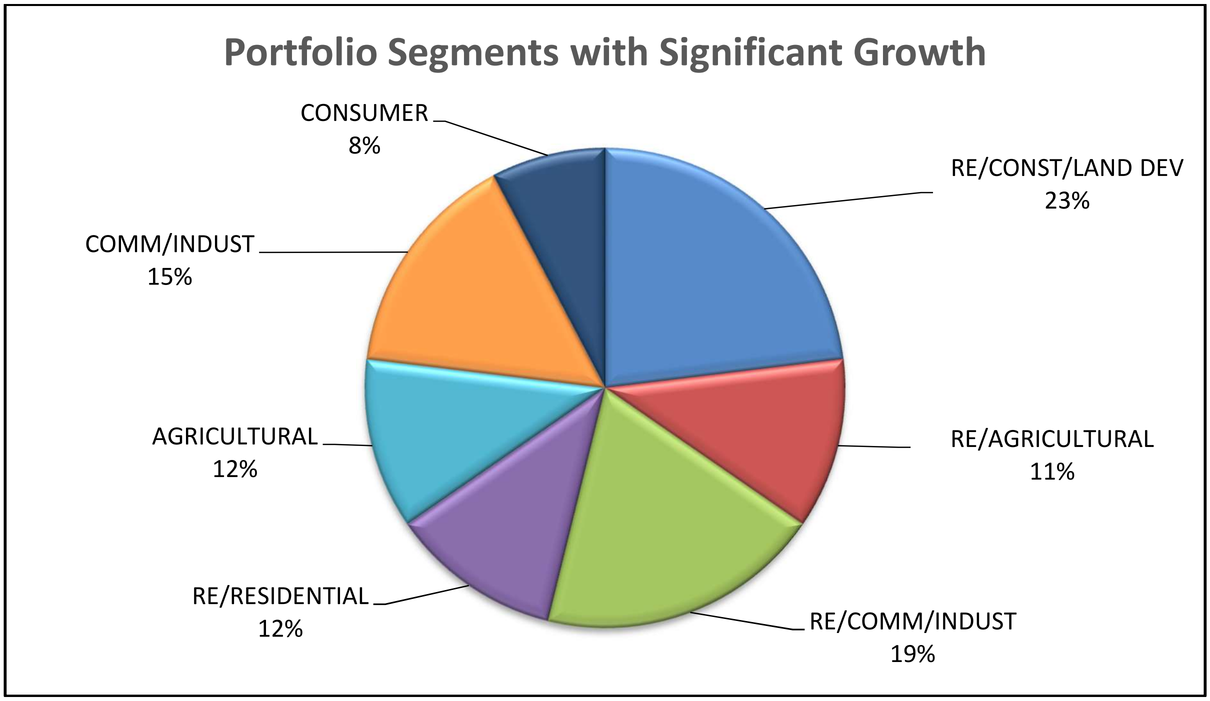


This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FIRST QUARTER 2023** Number of Banks Examined: **17**

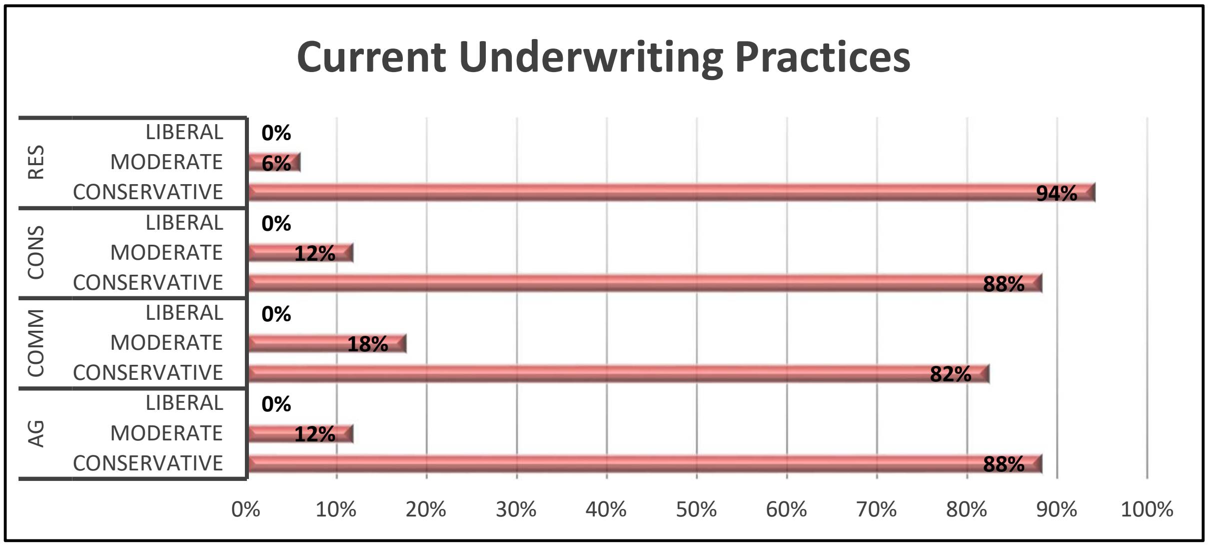
LENDING

1. Since the last examinations, **11** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **11** banks for the identified growth.

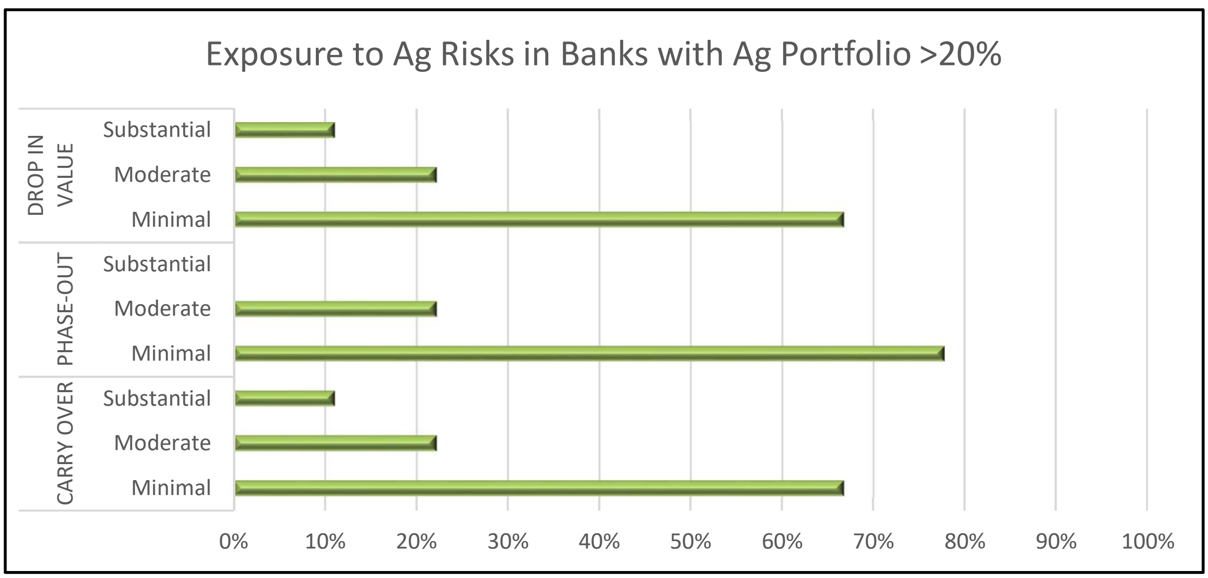


2. Indications of incurring "more than normal" risk when booking new loans or modifying existing credits was noted in **1** of the banks during the quarter. Collateral dependency, lack of cash flow analysis, and liberal repayment terms were identified in this bank.

3. Though increases are identified in the moderate categories, the majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

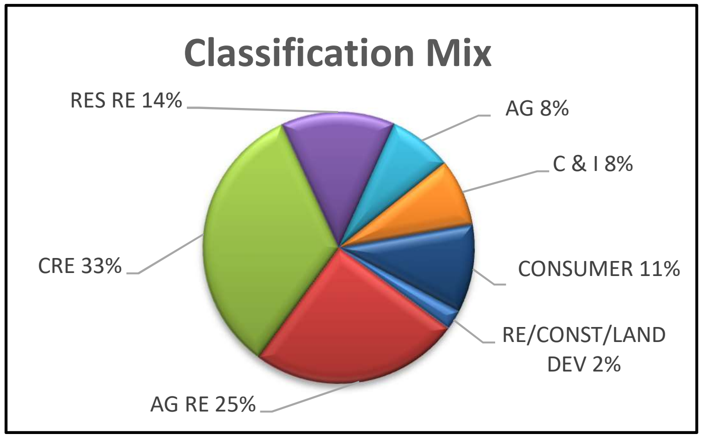


4. Agriculture loans represent more than 20% of total loans in **9** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, but increases are noted in the moderate and substantial categories.



5. The Adversely Classified Items Coverage ratio nominally increased in **4** of the banks examined. Deterioration in existing credits was noted in all 4 banks with lax underwriting also noted in 1 of the banks.

6. The mix of total loan classifications for the **17** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of CRE loans. Ag RE loan classifications appear as a larger percentage this quarter due, in part, to the number of Ag concentrated banks examined during the quarter.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **2** banks, with **none** in the liberal category.

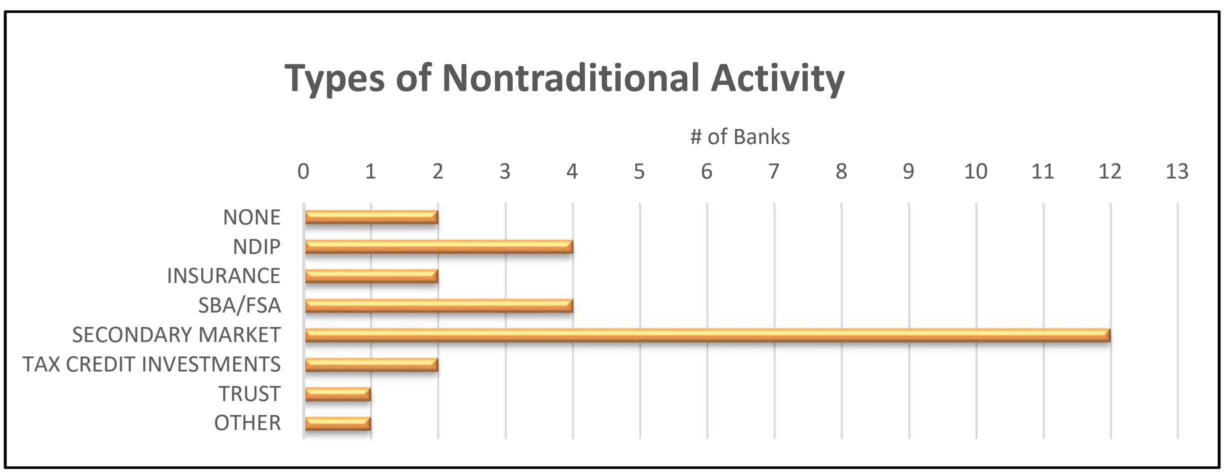
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **2** banks, with **none** showing liberal practices.

9. Examiners identified funding concentrations in **5** of the banks examined.

10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. Examiners noted **3** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to audits and reconcilement procedures.

12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to FinTech.

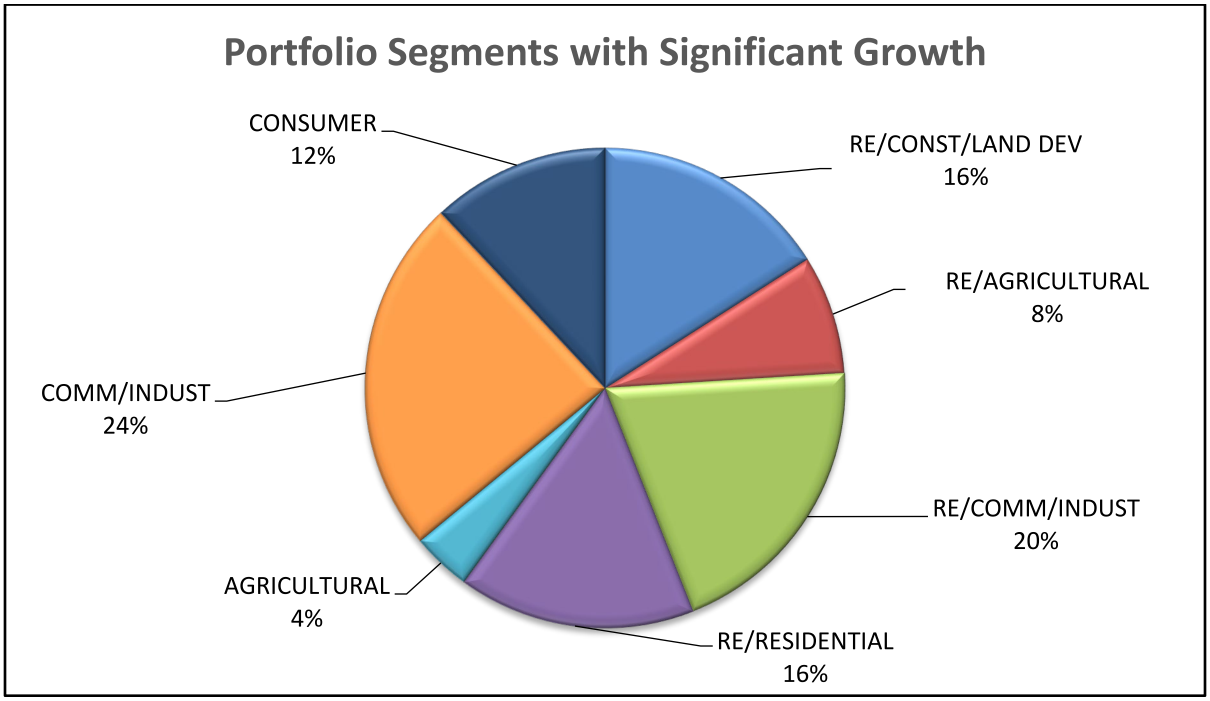


This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **SECOND QUARTER 2023** Number of Banks Examined: **17**

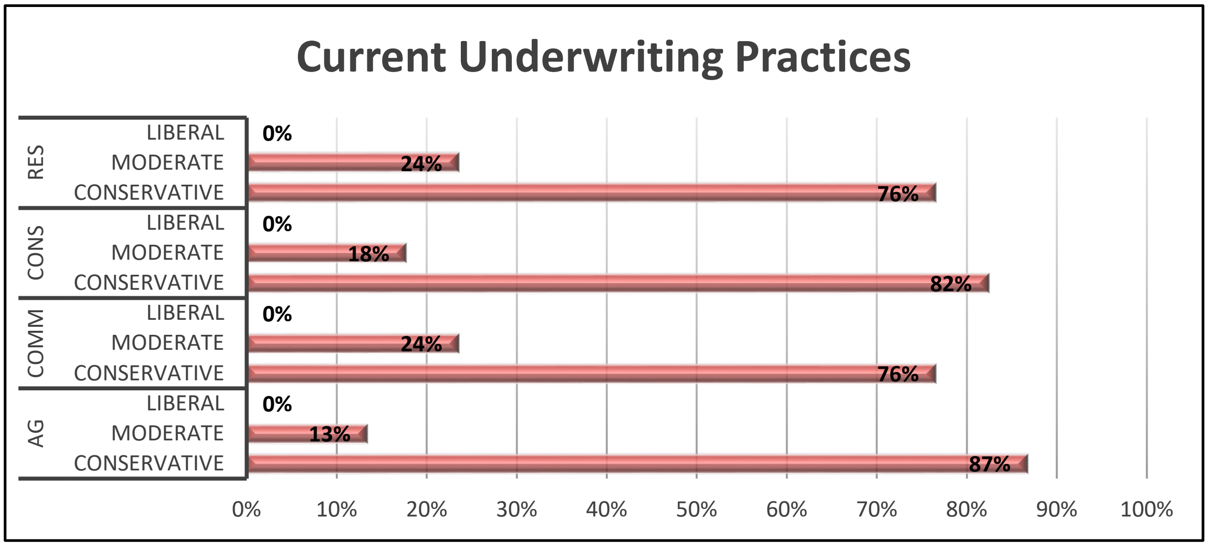
LENDING

1. Since the last examinations, **10** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **10** banks for the identified growth.

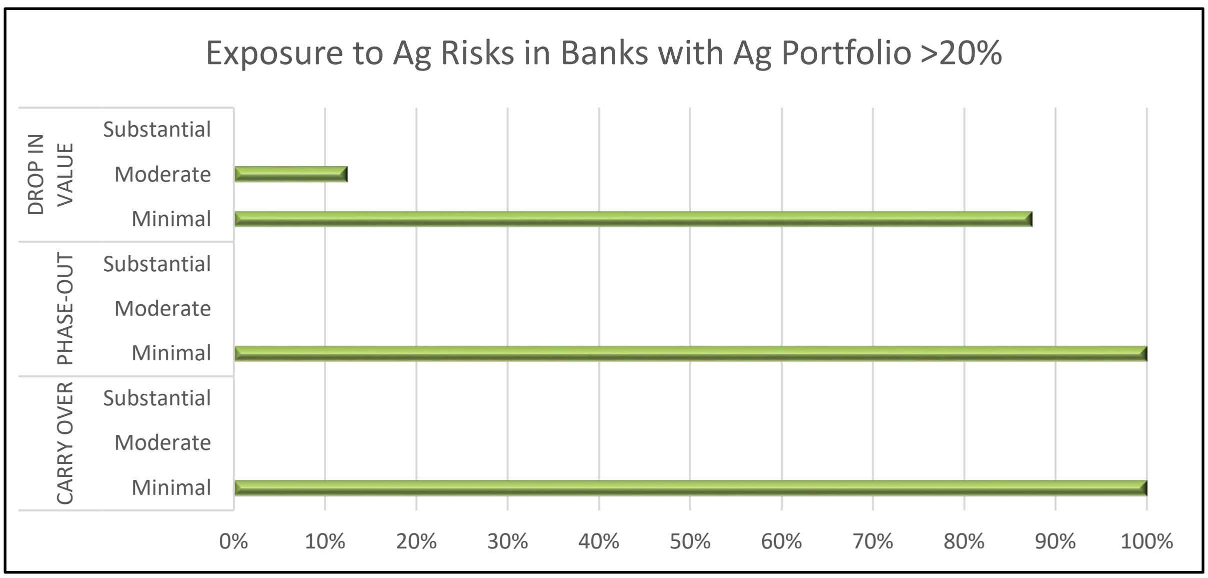


2. Indications of incurring "more than normal" risk when booking new loans or modifying existing credits was noted in **2** of the banks during the quarter. Low or no-doc business lending and high LTV loans were identified in these bank.

3. Though increases are identified in the moderate categories, the majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

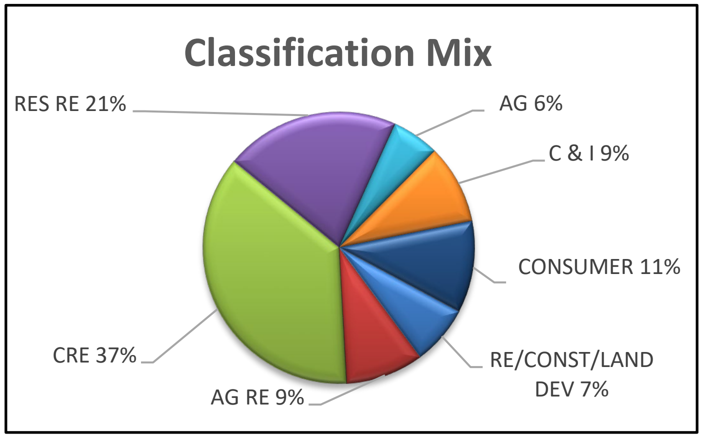


4. Agriculture loans represent more than 20% of total loans in **8** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, but moderate risk related to a drop in land values was noted in **1** bank.



5. The Adversely Classified Items Coverage ratio increased in **9** of the banks examined. The average increase of these banks was around 4%. Deterioration in existing credits was noted in the majority of these banks.

6. The mix of total loan classifications for the **17** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of CRE loans.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **3** banks, with **none** in the liberal category.

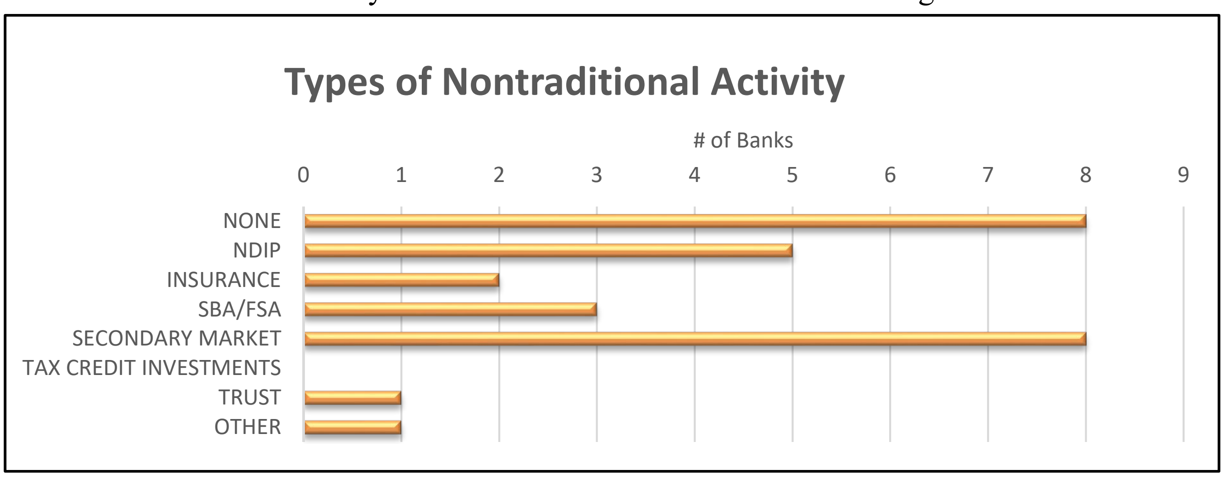
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **5** banks, with **none** showing liberal practices.

9. Examiners identified funding concentrations in **4** of the banks examined.

10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. Examiners noted **2** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to audits, correspondent accounts, and official checks.

12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to solar related loans and leasing.

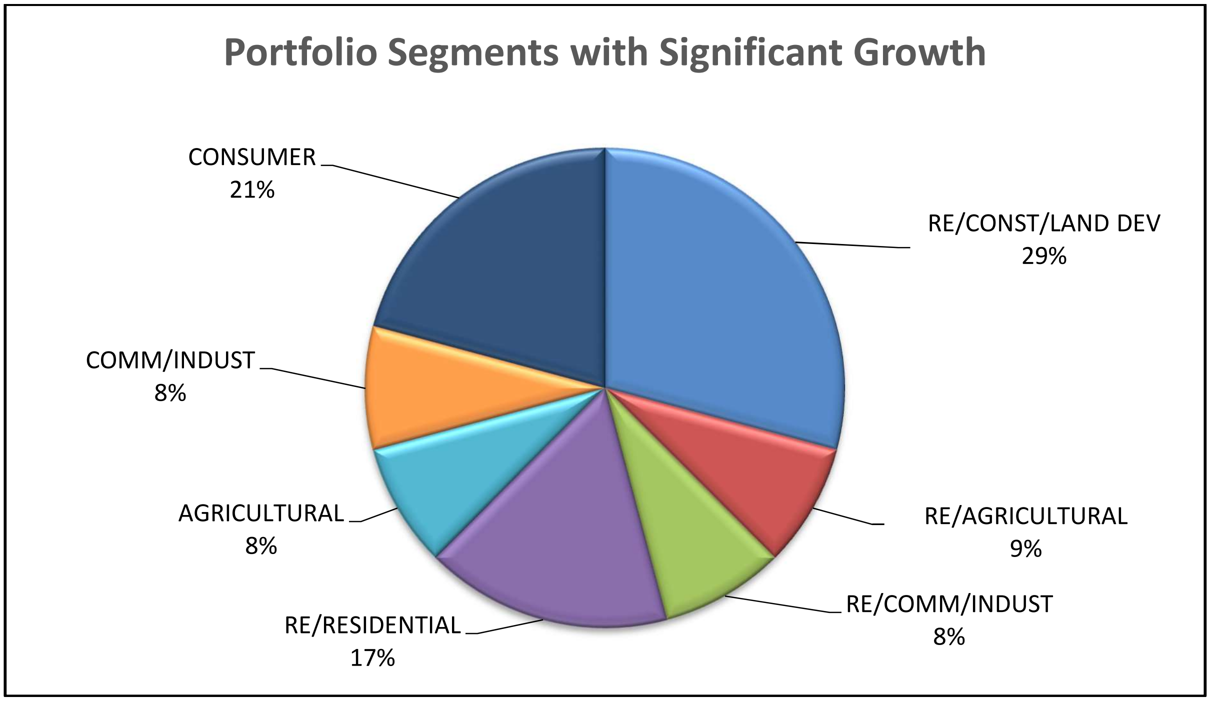


This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **THIRD QUARTER 2023** Number of Banks Examined: **18**

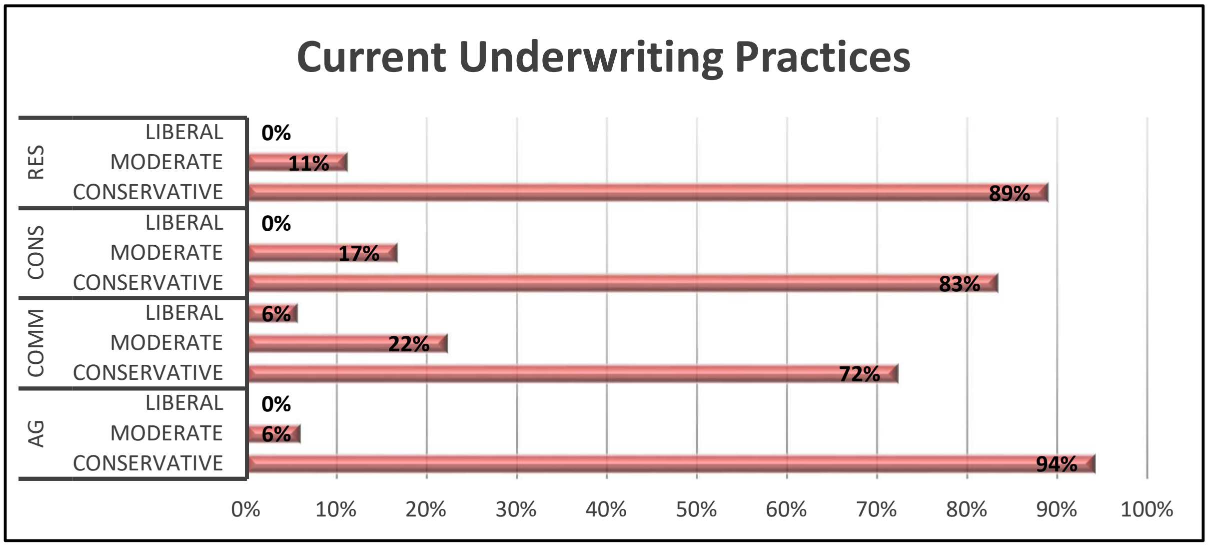
LENDING

1. Since the last examinations, **11** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **11** banks for the identified growth.

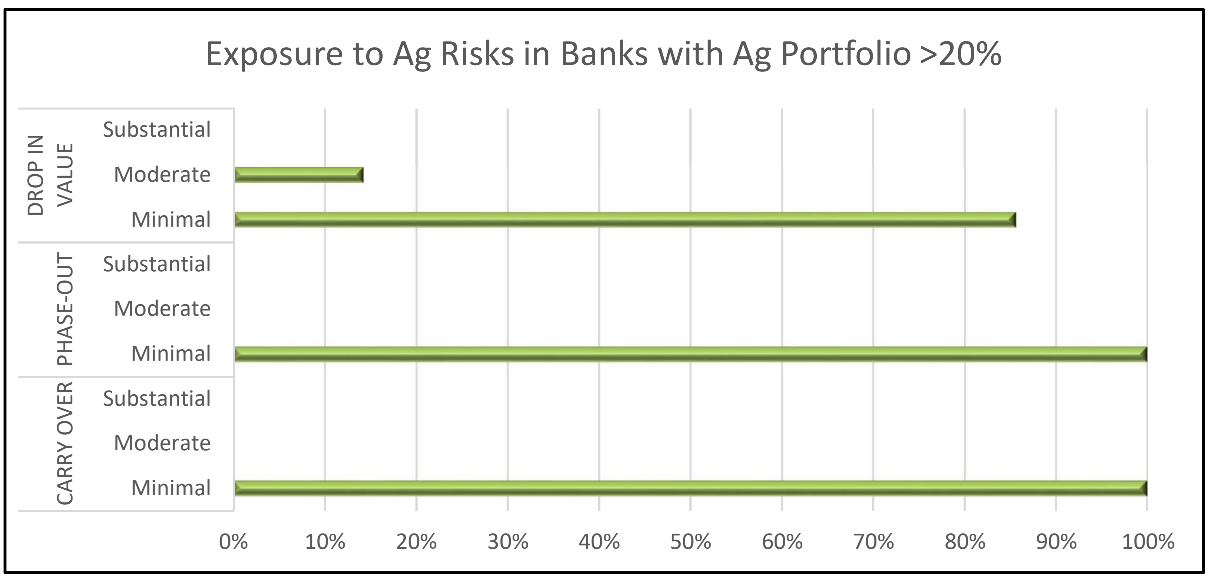


2. Indications of incurring "more than normal" risk when booking new loans or modifying existing credits was noted in **3** of the banks during the quarter. Risks identified include collateral dependent credits, high LTV loans, a lack of cash flow projections, and unsecured lending.

3. Though some moderate practices were identified, the majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. Only **1** bank was noted in the liberal category for commercial lending. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

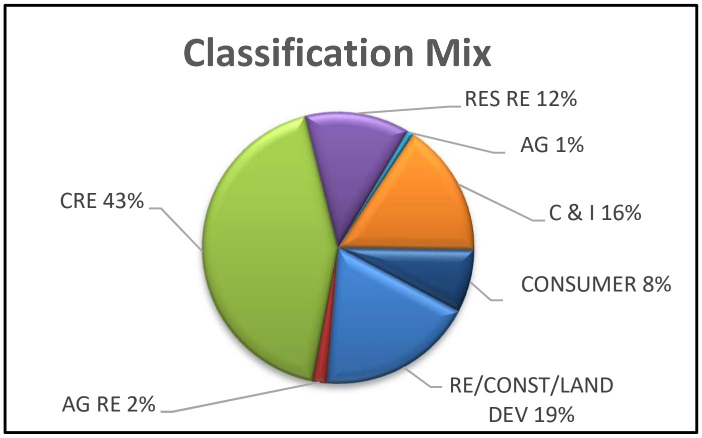


4. Agriculture loans represent more than 20% of total loans in **7** banks examined. The potential exposure to Ag risks in these banks is mostly minimal, but moderate risk related to a drop in land values was noted in **1** bank.



5. The Adversely Classified Items Coverage ratio increased in **10** of the banks examined. While the majority had nominal increases, **4** had increases of 10 percent or more. Deterioration in existing credits was noted as the main factor.

6. The mix of total loan classifications for the **18** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of CRE and C&I loans.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **2** banks, with **none** in the liberal category.

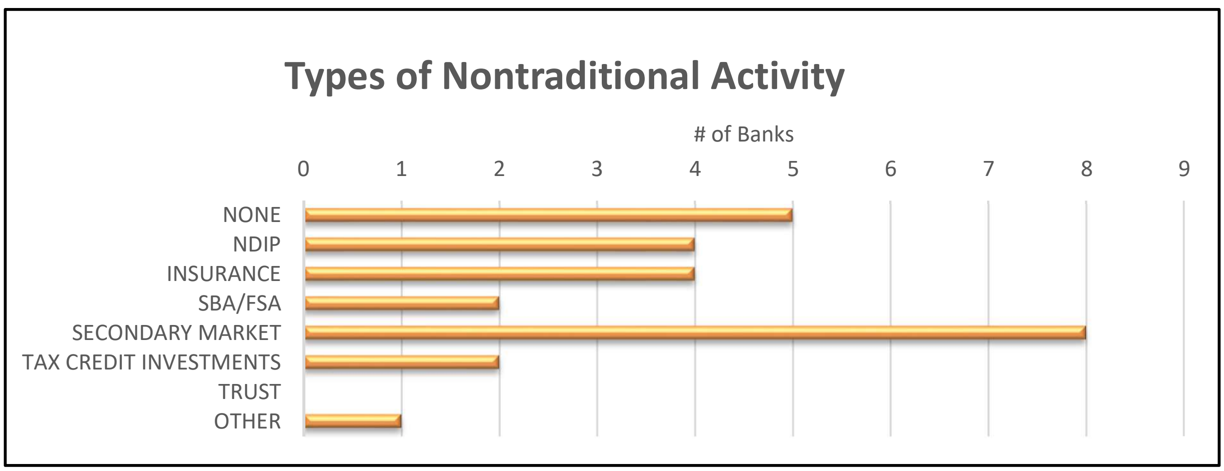
8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **5** banks, with **1** showing liberal practices.

9. Examiners identified funding concentrations in **3** of the banks examined.

10. Examiners noted **no** banks that hold a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. Examiners noted only **3** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to the audit environment, employee account reviews, overdrafts, and official checks.

12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to healthcare group loans.

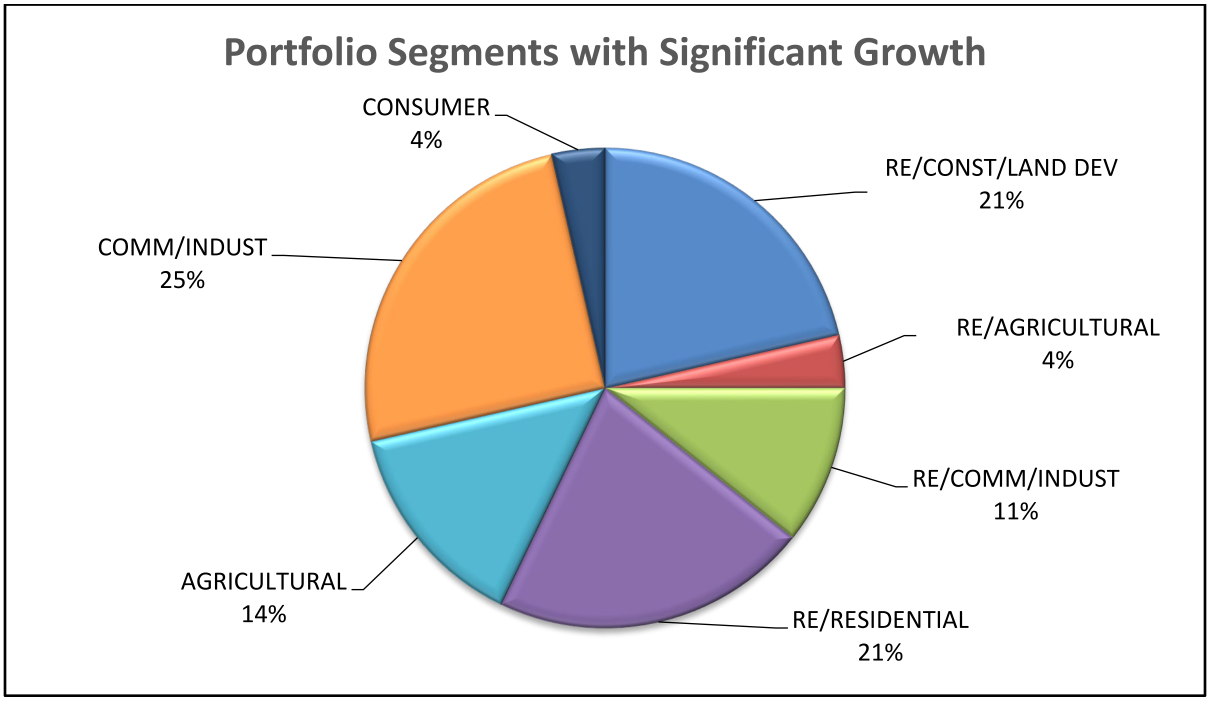


This survey is completed by bank examiners at the conclusion of each examination. Results are compiled from all banks examined during the quarter.

Date: **FOURTH QUARTER 2023** Number of Banks Examined: **19**

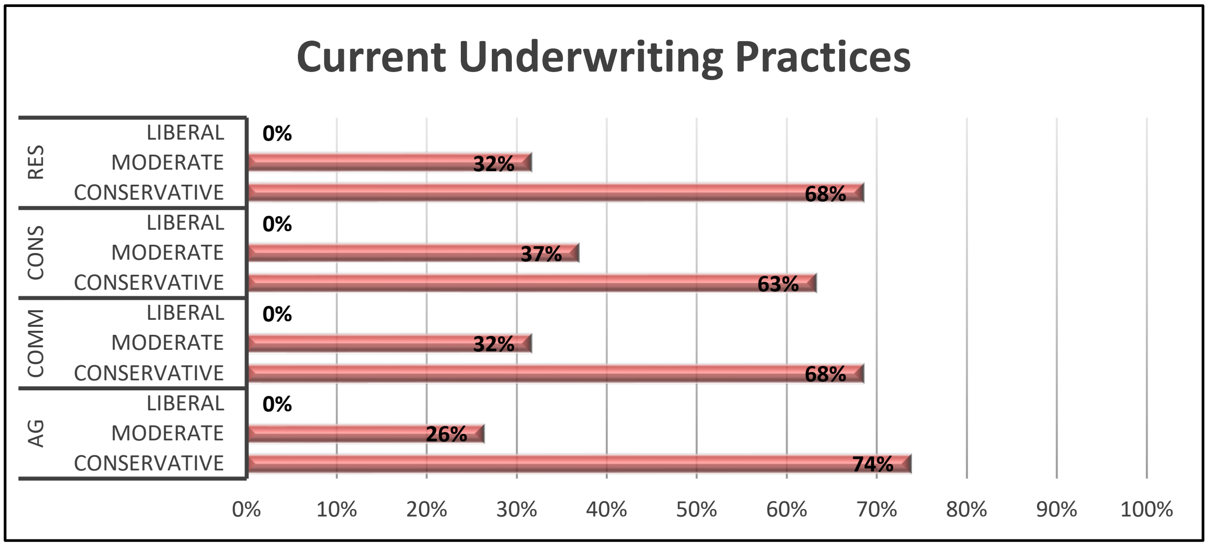
LENDING

1. Since their last examinations, **11** banks had significant growth in at least one segment of the portfolio. Significant is defined as an increase of 20% or more. The following graph illustrates the portfolio segmentation in the **11** banks for the identified growth.

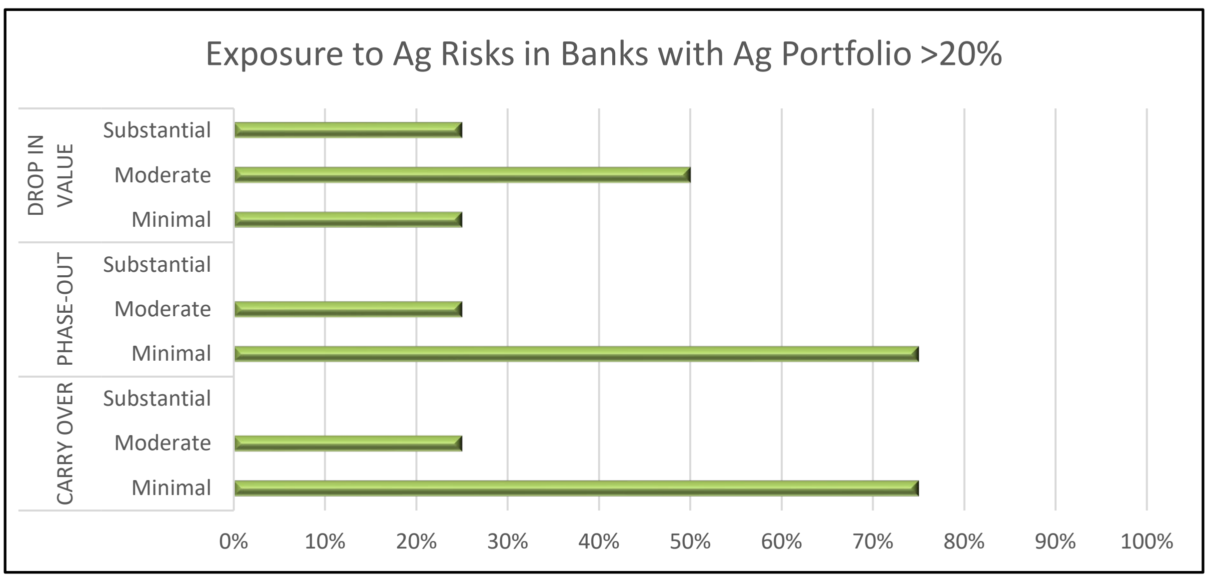


2. Indications of incurring "more than normal" risk when booking new loans or modifying existing credits was noted in **3** of the banks during the quarter. Risks identified include high LTV loans, a lack of cash flow projections, liberal repayment terms, and unsecured lending.

3. Though some moderate practices were identified, the majority of the banks examined in this quarter remain conservative in underwriting practices across all loan types reviewed. No liberal underwriting practices were identified. The following graph reflects the current level of underwriting practices observed in each of the four main lending areas.

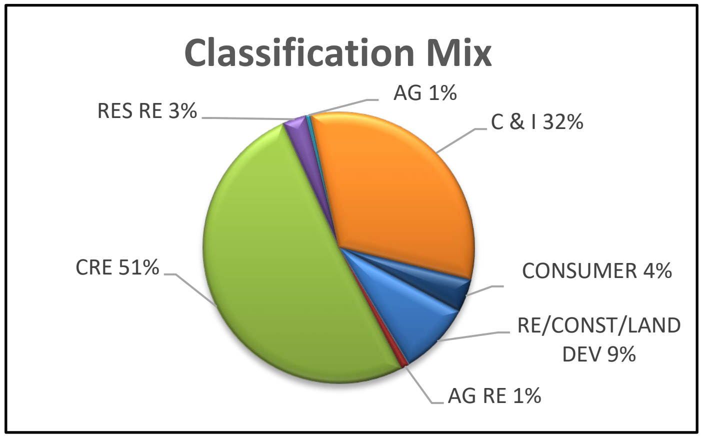


4. Agriculture loans represent more than 20% of total loans in **4** banks examined. Overall, the potential exposure to Ag risks in these banks is mostly minimal. Increased risk related to a drop in land values is identified, with **1** bank in the substantial risk category.



5. The Adversely Classified Items Coverage ratio increased in **9** of the banks examined. Deterioration in existing credits was noted as the main factor.

6. The mix of total loan classifications for the **19** banks is illustrated in the adjacent pie chart. Classifications continue to be largely comprised of CRE and C&I loans.



OPERATIONAL

7. Most of the banks examined during the quarter exhibit conservative policies and practices in relation to investments. Moderate risk was noted in **2** banks, with **2** also in the liberal category.

8. The majority of the banks examined during the quarter exhibit conservative funds management policies and practices. Moderate risk was noted in **4** banks, with **1** exhibiting liberal practices.

9. Examiners identified funding concentrations in **4** of the banks examined.

10. Examiners noted **1** bank that holds a significant position in off-balance sheet derivatives. Significant is considered 10% of total assets.

11. Examiners noted only **2** banks during the quarter with Internal Routine and Control weaknesses. Weaknesses were related to the audit environment and employee account review.

12. Several of the banks examined engage in nontraditional activities, as shown in the chart below. Other nontraditional activity is related to marijuana related businesses and FinTech Activities.